



Miami-Dade County Board of County Commissioners

Office of the Commission Auditor

Legislative Analysis

**Community Outreach, Safety and Healthcare
Administration Committee**

Wednesday, March 9, 2005
2:00 PM
Commission Chamber

Charles Anderson, CPA
Commission Auditor

111 NW First Street, Suite 250
Miami, Florida 33128
305-375-4354

**Miami-Dade County Board of County Commissioners
Office of the Commission Auditor**

Legislative Analysis

**Community Outreach, Safety & Healthcare Administration Committee
Meeting Agenda
March 9, 2005**

This Legislative Analysis contains the below listed items.

A written analysis for the below items are attached for your consideration. If you require further analysis of these or any other agenda items, please contact Gary Collins, Acting Chief Legislative Analyst, at (305) 375-1826.

Item Numbers

2(A) / 2(B) / 2(A&B) Supplement	3(B) / 3(F)
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Acknowledgements--Analyses prepared by:

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LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT

ORDINANCES PERTAINING TO ELECTION CAMPAIGN FINANCING TRUST FUND

Commissioner Bruno Barreiro (2A)
Commissioner Sally Heyman (2B)
Commissioner Rebeca Sosa (2A & B Supplement)

I. SUMMARY

On these three complementary items, Commissioners have the option of modifying in part or repealing the section of Miami-Dade County Code relating to the voter-approved Campaign Financing Trust Fund.

II. PRESENT SITUATION

The Campaign Financing Trust Fund was approved by voters on Nov. 7, 2000 and was sold to voters as a way to take special interests out of the election process and allow more people to run for office by giving eligible candidates public funds to assist them in their campaigns for County Mayor and County Commissioner. However, since becoming law, the Code has come under attack from many who say it is rife with loopholes, as perceived in the most recent Commission elections. Still, others say that the trust fund is an effective tool for law-abiding candidates. In the recent Commission and Mayoral elections, two candidates who qualified for the funds now hold office, Commissioner Barbara Jordan and Mayor Carlos Alvarez.

III. POLICY CHANGE AND IMPLICATION

- **Item 2A** repeals Code 12-22 in its entirety.
- **Item 2B** offers slight modifications to the code, including amending the deadline for applying for public finances.
- **Item 2A, 2B Supplement** is drafted in chart form and includes various suggestions for revisions to the code. Commissioners will be able to pick and chose which revisions they agree with, if any at all. According to staff, these suggested revisions are the result of a workshop in which various Commissioners offered suggestions. The options include those revisions proposed in item **2B**.

COSHAC ITEMS 2(A), 2(B), & 2(A and B Supplement)
March 9, 2005

IV. ECONOMIC IMPACT

Repealing the entire section of the code relating to the election campaign trust fund would have a positive fiscal impact on the county, according to staff (see below).
Conversely, if the code is only amended, it will have no fiscal impact on the County.

	2000-01	2001-02	2003-04 & 2004-05
Commission Election	\$75,000.00	\$50,000.00	\$2.75M *

*Includes mayoral election and run-offs

V. COMMENTS AND QUESTIONS

None.

Attachments: "Campaign Finance Law Facing Repeal Debate," *The Miami Herald*, 2/8/05
"Dade Panel Toughens Public Funds Law," *The Miami Herald*, 6/19/02
"Dade Public to Pay for Campaigns," *The Miami Herald*, 3/9/01

NewsBank InfoWeb

America's Newspapers

CAMPAIGN FINANCE LAW FACING REPEAL DEBATE

Miami Herald, The (FL)

February 8, 2005

Author: TERE FIGUERAS NEGRETE, tfigueras@herald.com

Estimated printed pages: 2

A push by some Miami-Dade commissioners to eliminate the county's public **campaign** financing system - approved by voters several years ago but cited by critics as prone to abuse - may move forward this week.

A measure that would repeal the law, which allows candidates in commission and mayoral races to receive public funds, is up for public hearing at a committee meeting Wednesday.

But the commission's Community Outreach, Safety and Healthcare Administration Committee will also entertain a proposal from Commissioner Sally Heyman to keep public financing, but bring greater scrutiny of those who hope to boost their **campaign** coffers with public funds.

"I think the benefits far outweigh the problems we've seen," said Heyman, a former state legislator. "But we have to ensure integrity. We're talking big money here."

FIRSTHAND EXPERIENCE

Two commissioners propose doing away with public financing for political **campaigns**: The recently reelected Natacha Seijas and Bruno Barreiro, whose opponents' **campaigns** last year were marred by allegations of fraud.

Three people were eventually arrested on charges they abused the public **finance** rules, which require candidates to meet a threshold of individual donors in order to qualify for public funds. Those arrested included Barreiro's sole opponent, Juan Miguel Alfonso, who was accused of purchasing dozens of money orders in the names of supposed contributors - including several of Barreiro's supporters. The challenger nearly grabbed \$50,000 of public money before Barreiro tipped off the authorities.

"If anything, this law has attracted people to run for fraudulent reasons," Barreiro said.

Seijas' opponent in a runoff, Jorge Roque, was hampered after prosecutors froze his **campaign** accounts during their fraud investigation. Roque's sister-in-law and a **campaign** consultant were charged with an alleged scam to boost the number of individual donors listed on the **campaign** reports.

Overall, last year's elections saw an unprecedented number of candidates qualifying for \$2.5 million in public funds. Of the dozen candidates who qualified, two now sit in office: Commissioner Barbara Jordan and Mayor Carlos Alvarez, who used public funding to propel him to the front of a crowded August primary.

"I think it showed tremendous value, especially in the mayor's race," Heyman said. "It opens up the political forum."

EARLY NOTICE

Heyman proposes requiring candidates to file notice that they will be seeking public funds before the deadline to qualify for a political race. The early notice is intended to give investigators lead time to scrutinize applications, she said. Donors would also be required to use personal checks for **campaign** gifts and sign statements acknowledging their contributions.

Elections officials simply check that donors' names appear on lists of registered voters and that the dollar figures add up - not for fraud. A candidate's **campaign** reports are subject to a postelection audit by the county's Commission on Ethics and Public **Trust**.

A complete audit of all 12 candidates who qualified for public funding last year won't be complete until early next year.

The full commission will have to vote on either proposed measure before it becomes law.

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Page: 3B

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America's Newspapers

DADE PANEL TOUGHENS PUBLIC FUNDS LAW

The Miami Herald

June 19, 2002

Author: KARL ROSS, kross@herald.com

Estimated printed pages: 2

The Miami-Dade County Commission on Tuesday tightened the law governing the use of public funds for political **campaigns** so that candidates cannot use the money for personal expenses such as shopping sprees or for payments to themselves.

Commissioner Rebeca Sosa, who sponsored the measure, said allocations from the county's Election **Campaign Financing Trust** Fund should not be tantamount to ``a ticket to go to Burdines."

The **trust's** trial run was considered problematic because the sole candidate to receive public **campaign** funds, Ana Alliegro, was unable to document the expenditure of about \$48,000 of the \$75,000 she received in taxpayer money. Alliegro was runner-up to Sosa in last summer's special election for the District 6 county commission seat.

Sosa's measure makes it illegal for candidates to use county public **campaign** funds for updating their wardrobes, cosmetic surgery or new cars. It also outlaws payments to candidates, immediate family members or to businesses in which candidates or their immediate family members have a controlling interest.

Many of these uses are legal under state **campaign finance** laws.

Candidates flouting Miami-Dade's election rules can be barred from receiving future public **campaign** funding for eight years.

``Where I'm coming from is to prevent someone from using the public funding to pay my mother, my father, my sister, my brother," Sosa said. ``I want to avoid something that can come back to us and kick our face."

Sosa's measure passed 12-0, but only after she agreed to roll back some restrictions that Commissioner Jimmy Morales and groups such as the League of Women Voters found onerous.

As originally crafted, Sosa's measure would have prevented candidates from using public funds to hire full-time **campaign** aides, office managers, even accountants. It also would have cut from 90 days to 45 days the time candidates are allotted to prepare their books for a post-election audit.

``My fear is I don't want public financing to handicap a candidate for doing things other candidates can do," Morales said.

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Section: Local

Page: 3B

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America's Newspapers

DADE PUBLIC TO PAY FOR CAMPAIGNS PLAN APPROVED FOR PARTIAL FUNDING

Miami Herald, The (FL)

March 9, 2001

Author: TYLER BRIDGES, tbridges@herald.com

Estimated printed pages: 4

Miami-Dade County taxpayers will begin partial financing of mayoral and county commission elections under an ordinance approved Thursday as a way to reduce the cost of **campaigns** and lessen the influence of wealthy contributors.

"We can send a strong message today," Commissioner Jimmy Morales said as he urged his fellow commissioners to back the measure he sponsored. They supported him on a 10-1 vote, with only Commissioner Bruno Barreiro dissenting.

Mayor Alex Penelas also endorsed the measure, which imposes limits on how much candidates can raise and spend if they accept public dollars.

"I'm hoping the long term impact will be a reduced role of special interest money in political **campaigns**, and increased competition in the political process," Morales said after the vote. "I hope that will restore significant public **trust** in the process."

The commission vote puts Miami-Dade in the ranks of about a dozen other local governments across the U.S. that have established some form of public election financing, including Oakland, Los Angeles and Long Beach in California, New York City, Austin and Tucson.

The commission was required to enact a **campaign-finance** ordinance by a Nov. 7 referendum vote, when the concept was approved by 58 percent of the voters. Commissioners had rejected a similar proposal by Morales one year ago, saying they were reluctant to spend public money on the idea. Morales subsequently pushed for the referendum vote.

The new law will take effect for the 2002 elections when at least six commissioners - and perhaps all 13 if redistricting requires everyone to run - will be on the ballot.

Under the law, commission candidates could receive as much as \$125,000 for the election - \$75,000 for the primary and \$50,000 if they qualify for a runoff.

Commission candidates would qualify for the money if they collect at least 200 separate contributions between \$15 and \$250 from registered Miami-Dade voters. In theory, that means a candidate could raise as little as \$3,000 in private funds - 200 \$15 contributions - and qualify for \$75,000 in public funds.

In exchange for accepting the money, the candidates must agree not to spend more than \$150,000 in the primary, and an additional \$100,000 in the runoff.

Mayoral candidates could receive \$500,000 - \$300,000 for the primary and \$200,000 for the runoff. They would qualify if they receive at least 1,000 separate contributions between \$15 and \$250. In exchange, they could spend no more than \$600,000 overall in the primary and another \$400,000 in the

runoff.

Morales' ordinance creates an Election **Campaign Financing Trust** Fund for the money. It would have cost taxpayers \$1.6 million in 1996, \$300,000 in 1998 and \$750,000 in 2000.

The only controversy Thursday was prompted by a provision that would have required candidates who accept public money to participate in a **campaign** debate.

Three commissioners objected - Pedro Reboredo, Javier Souto and Barreiro. Barreiro said he had never debated an opponent and should be free to refuse to do so, even if he accepted public money.

Morales then reluctantly removed the debate requirement, after noting that other local governments with similar laws required the debates.

Barreiro voted against the proposal anyway. He later said he wasn't convinced that voters would agree with Morales' plan, because the referendum question did not include any specific proposals. The commissioner also said that many of the challengers in the 2000 commission races would not have qualified for public funding under Morales' requirements.

The measure responds to a public perception that incumbents have a leg up because they can raise big dollars from well-heeled contributors and special interests.

"People are unhappy with the tremendous amount of money you need to run for office in Dade County," Gerald Kogan, a former chief justice of the Florida Supreme Court and now the president of the Alliance for Ethical Government, told commissioners.

Six of seven others who addressed the commission also favored Morales' plan, including representatives of the League of Women Voters and the Greater Miami Chamber of Commerce.

"It is important that the commission approve this ordinance as we feel it lessens the impact of special interest dollars, broadens the field of potential candidates to include those with lesser financial resources and/or fund raising abilities and, in the long run, reduces the cost of running for elected office," said Philip Blumberg, the chamber's chairman.

In the 2000 election, Commissioner Natacha Seijas raised the most of any candidate, \$374,000 as she won reelection against former state Sen. Roberto Casas. Commissioner Joe Martinez spent the least, \$156,000, in winning an open seat.

Seijas attributed her victory Thursday not to raising the most money, but to knocking on 6,000 voters' doors over a seven-month period.

WHAT ELECTIONS COST IN MIAMI-DADE

- * In 2000, Miami-Dade Mayor Alex Penelas raised more than \$1.3 million for his successful reelection **campaign**.

- * In the 2000 county commission election, Commissioner Natacha Seijas raised \$374,000 for her winning race.

- * Penelas and the six incumbent commissioners on the 2000 ballot raised a total of more than \$3 million - three times as much money as all their opponents combined. All the incumbents won.

- * In the 1997 Miami mayoral race, Mayor Joe Carollo raised more than \$250,000.

Memo:

See WHAT ELECTIONS COST IN MIAMI-DADE at end of text

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Index Terms: MIAMI DADE MAYORAL COMMISSION ELECTIONS CAMPAIGN TAXPAYERS;
FINANCING COST STATISTICS< FINANCE

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March 9, 2005

LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT

3(B) RESOLUTION AUTHORIZING EXECUTION OF RETROACTIVE CHANGE ORDER NO. ONE AND FINAL TO THE CONTRACT WITH GENERAL CAULKING & COATING COMPANY, INC. FOR THE RICHARD E. GERSTEIN BUILDING EXTERIOR CAULKING, SEALING AND WATERPROOFING PROJECT; AND AUTHORIZING THE COUNTY MANAGER TO EXERCISE ANY AND ALL OTHER RIGHTS CONFERRED THEREIN

3(F) RESOLUTION AUTHORIZING EXECUTION OF RETROACTIVE CHANGE ORDER NO. ONE AND FINAL TO THE CONTRACT WITH FLORIDA ROOFING SOLUTIONS, INC. FOR THE MIAMI-DADE POLICE DEPARTMENT'S HEADQUARTERS BUILDING ROOF RENOVATIONS AND EXTERIOR SEALING PROJECT; AND AUTHORIZING THE COUNTY MANAGER TO EXERCISE ANY AND ALL OTHER RIGHTS CONFERRED THEREIN

General Services Administration Department

I. SUMMARY

Each of these Items is a recommendation for approval of Change Order No. One and Final to the respective contracts. The original contract values, the increases recommended in each, and the add-on work performed in each are somewhat similar. The original estimated cost for each of these projects was identical.

- The similarities in (a) the original estimates, (b) the add-on work discovered to be necessary during the projects, and (c) the cost increases could raise questions about project design and estimating processes.

II. PRESENT SITUATION

	Item 3(B)	Item 3(F)
Original Estimated Cost:	\$700,000	\$700,000
Original Base Bid:	\$448,100	\$398,000
10-Year Maintenance:	\$24,000	\$40,500
10% Contingency	\$47,210	\$43,805
Original Contract Amount	\$519,310	\$481,855
Recommended Increase:	+\$105,240	+\$100,909
Percent Increase Recommended:	+20.3%	20.9%
Adjusted Total with Change Order:	\$624,550	\$582,764
Justification:	Additional waterproofing, & emergency stucco repairs	Additional waterproofing, roofing & glazing

COSHAC ITEM 3(B) & 3(F)

March 9, 2005

In Item 3(B), contingency funds were subtracted from "current construction contingency balance" reported in the Item (handwritten p. 4).

In Item 3(F), contingency funds were not subtracted from "current construction contingency balance" reported in the Item (handwritten p. 4).

III. POLICY CHANGE AND IMPLICATION

If

(a) The contractor is not presumed to have an inherent right to the "contingency fee;"
and

(b) The original, Base Bid amount was then considered as the starting point for computing the percentage change in contract cost,

then

The increases in costs of these two contracts would be significantly higher:

Item 3(B): \$152,450 (+34.0%) instead of \$105,240 (+20.3%)

Item 3(F): \$144,714 (+36.4%) instead of \$100,909 (20.9%)

IV. ECONOMIC IMPACT

+\$206,149 in additional obligations (Capital Outlay Reserve)

V. COMMENTS AND QUESTIONS

Item 3(B), on handwritten p. 3, indicates that "the tree existing elevator towers' stucco cracked and in some areas fell to the ground during the work, necessitating safety-related emergency repairs.

- There is no discussion of the cause of or of potential for contractor liability related to the elevator towers' stucco failure and the subsequent emergency repairs).